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FINANCING OF THE ACTIVITIES ARISING FROM SECURITY COUNCIL RESOLUTION 687 (1991): UNITED NATIONS IRAQ-KUWAIT OBSERVATION MISSION

Report of the Fifth Committee

Rapporteur: Mr. Djamel MOKTEFI (Algeria)

I. INTRODUCTION

1. At its 4th plenary meeting, on 19 September 1997, the General Assembly, on the recommendation of the General Committee, decided to include in the agenda of its fifty-second session the item entitled "Financing of the activities arising from Security Council resolution 687 (1991): United Nations Iraq-Kuwait Observation Mission" and to allocate it to the Fifth Committee.

2. The Fifth Committee considered the item at its 62nd, 68th and resumed 68th meetings, on 18 and 29 May and 26 June 1998. Statements and observations made in the course of the Committee's consideration of the item are reflected in the relevant summary records (A/C.5/52/SR.62, 68 and 68/Add.1).

3. For its consideration of the item, the Committee had before it the reports of the Secretary-General (A/52/790 and Corr.1, A/52/790/Add.1 and Corr.1 and A/52/824) and the related report of the Advisory Committee on Administrative and Budgetary Questions (A/52/860/Add.7).

II. CONSIDERATION OF DRAFT RESOLUTION A/C.5/52/L.38

4. At the 68th meeting, on 29 May, the representative of Greece, Vice-Chairman of the Committee and coordinator of the informal consultations on item 124 (a), introduced a draft resolution entitled "Financing of the activities arising from Security Council resolution 687 (1991): United Nations Iraq-Kuwait Observation Mission" (A/C.5/52/L.38) and orally revised it as follows:

(a) In operative paragraph 6, the word "Endorses" was replaced by the words "Takes note of";

(b) A new paragraph was inserted after operative paragraph 6, reading:

"7. Decides to examine the recommendation of the Advisory Committee on Administrative and Budgetary Questions for 5 per cent across-the-board reductions of the budget proposals of the Secretary-General in the light of the next series of relevant financial performance reports";

(c) In operative paragraph 10 (former paragraph 9), the words "and the amount of _____ dollars for the United Nations Logistics Base at Brindisi" were deleted after the words "support account for peacekeeping operations";

(d) Operative paragraph 16 (former paragraph 15), which had read:

"15. Deeply concerned about the fact that the overpayment of mission subsistence allowance has drastically increased, from 988,443.5 dollars to 6,312,201.53 dollars, and also about the delay in reporting the matter to the General Assembly",

was replaced by the following text:

"16. Expresses deep concern about the overpayment of mission subsistence allowance, at present calculated at 6,312,201.53 dollars, as well as the inaccuracy of the earlier estimated amount of 988,443.5 dollars, which represents a drastic increase of 5,323,758.03 dollars, and the delay in reporting the matter to the General Assembly";

(e) Operative paragraph 17 (former paragraph 16), which had read:

"16. Requests the Secretary-General to take all necessary measures to ensure that voluntary contributions to the budgeted cost of the Observation Mission are utilized only in accordance with the Financial Regulations and Rules of the United Nations;

was replaced by the following text:

"17. Requests the Secretary-General to take all necessary measures to ensure that voluntary contributions towards the budgeted cost of the Observation Mission shall be utilized only in accordance with the procedure and practices established by the General Assembly";

(f) A new operative paragraph 19 was inserted, reading:

"19. Further requests the Secretary-General to review the recovery process, taking into account the results of the inquiry and bearing in mind various aspects of this measure";

(g) Operative paragraph 20 (former paragraph 18), which had read:

"20. Further requests the Secretary-General to exercise the utmost discipline in financial management to ensure compliance with the Financial Regulations and Rules of the United Nations, including rule 114.1 on personal responsibility, in which it is stated that every official of the United Nations may be held personally responsible and financially liable for the consequences of any action taken contrary to those Financial Rules, or to the administrative instructions issued in connection therewith",

was replaced by the following text:

"20. Requests the Secretary-General to ensure that all managers exercising financial responsibility are issued with the revised and updated version of the Financial Regulations and Rules of the United Nations;

"21. Also requests the Secretary-General to ensure that every official of the United Nations is responsible to the Secretary-General for the regularity of the actions taken by him or her in the course of his or her official duties and that any official who takes any action contrary to the Financial Rules, or to the administrative instructions issued in connection therewith, may be held personally responsible and financially liable for the consequences of such action",

and the remaining paragraphs were renumbered accordingly.

5. At the same meeting, the representative of Canada orally amended the draft resolution by replacing footnote 2 which had read "A/52/860 and Add.7", by "A/52/860/Add.7".

6. Also at the same meeting, the representative of the Netherlands orally amended operative paragraph 9 by replacing the words "operational requirements of such posts" by the words "requirements of the Mission".

7. At its 68th meeting, on 29 May and 26 June, the Committee adopted draft resolution A/C.5/52/L.38, as orally revised and amended, without a vote (see para. 9).

8. After the adoption of the draft resolution, statements were made by the representatives of Kuwait, Uganda and Japan (see A/C.5/52/SR.68).

III. RECOMMENDATION OF THE FIFTH COMMITTEE

9. The Fifth Committee recommends to the General Assembly the adoption of the following draft resolution:

Financing of the United Nations Iraq-Kuwait Observation Mission

The General Assembly,

Having considered the reports of the Secretary-General on the financing of the United Nations Iraq-Kuwait Observation Mission[1] and the related report of the Advisory Committee on Administrative and Budgetary Questions,[2]

Recalling Security Council resolutions 687 (1991) of 3 April 1991 and 689 (1991) of 9 April 1991, by which the Council decided to establish the United Nations Iraq-Kuwait Observation Mission and to review the question of its termination or continuation every six months,

Recalling also its resolution 45/260 of 3 May 1991 on the financing of the Observation Mission and its subsequent resolutions and decisions thereon, the latest of which was resolution 51/234 of 13 June 1997,

Reaffirming that the costs of the Observation Mission that are not covered by voluntary contributions are expenses of the Organization to be borne by Member States in accordance with Article 17, paragraph 2, of the Charter of the United Nations,

Recalling its previous decisions regarding the fact that, in order to meet the expenditures caused by the Observation Mission, a different procedure is required from that applied to meet expenditures of the regular budget of the United Nations,

Taking into account the fact that the economically more developed countries are in a position to make relatively larger contributions and that the economically less developed countries have a relatively limited capacity to contribute towards such an operation,

Bearing in mind the special responsibilities of the States permanent members of the Security Council, as indicated in General Assembly resolution 1874 (S-IV) of 27 June 1963, in the financing of such operations,

Expressing its appreciation for the substantial voluntary contributions made to the Observation Mission by the Government of Kuwait and the contributions of other Governments,

Mindful of the fact that it is essential to provide the Observation Mission with the necessary financial resources to enable it to fulfil its responsibilities under the relevant resolutions of the Security Council,

1. Takes note of the status of contributions to the United Nations Iraq-Kuwait Observation Mission as at 15 May 1998, including the contributions outstanding in the amount of 9.6 million United States dollars, representing

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[1] A/52/790 and Corr.1, A/52/790/Add.1 and Corr.1 and A/52/824.

[2] A/52/860/Add.7.

some 4 per cent of the total assessed contributions from the inception of the Mission to the period ending 30 April 1998, notes that some 23 per cent of the Member States have paid their assessed contributions in full, and urges all other Member States concerned, in particular those in arrears, to ensure the payment of their outstanding assessed contributions;

2. Expresses its continued appreciation of the decision of the Government of Kuwait to defray two thirds of the cost of the Observation Mission, effective 1 November 1993;

3. Expresses concern about the financial situation with regard to peacekeeping activities, in particular as regards the reimbursement of troop contributors, which bear additional burdens owing to overdue payments by Member States of their assessments;

4. Expresses its appreciation to those Member States which have paid their assessed contributions in full;

5. Urges all other Member States to make every possible effort to ensure payment of their assessed contributions to the Observation Mission in full and on time;

6. Takes note of the observations and recommendations contained in the report of the Advisory Committee on Administrative and Budgetary Questions;[2]

7. Decides to examine the recommendation of the Advisory Committee on Administrative and Budgetary Questions for 5 per cent across-the-board reductions of the budget proposals of the Secretary-General in the light of the next series of relevant financial performance reports;

8. Requests the Secretary-General to take all necessary action to ensure that the Observation Mission is administered with a maximum of efficiency and economy;

9. Also requests the Secretary-General, in order to reduce the cost of employing General Service staff, to continue efforts to employ locally recruited staff for the Observation Mission against General Service posts, commensurate with the requirements of the Mission;

10. Decides to appropriate to the Special Account for the United Nations Iraq-Kuwait Observation Mission the amount of 52,143,800 dollars gross (50,255,600 dollars net) for the maintenance of the Observation Mission for the period from 1 July 1998 to 30 June 1999, inclusive of the amount of 2,618,400 dollars for the support account for peacekeeping operations, a two-thirds share of this amount, equivalent to 33,503,700 dollars, to be funded through voluntary contributions from the Government of Kuwait, subject to the review by the Security Council with regard to the question of termination or continuation of the Mission;

11. Decides also, as an ad hoc arrangement, taking into consideration the funding through voluntary contributions from the Government of Kuwait of the two-thirds share of the cost of the Mission, equivalent to 33,503,700 dollars,

to apportion among Member States the amount of 18,640,100 dollars gross (16,751,900 dollars net), representing one third of the cost of the maintenance of the Mission for the period from 1 July 1998 to 30 June 1999, the said amount to be apportioned at a monthly rate of 1,553,342 dollars gross (1,395,992 dollars net), in accordance with the composition of groups set out in paragraphs 3 and 4 of General Assembly resolution 43/232 of 1 March 1989, as adjusted by the Assembly in its resolutions 44/192 B of 21 December 1989, 45/269 of 27 August 1991, 46/198 A of 20 December 1991, 47/218 A of 23 December 1992, 49/249 A of 20 July 1995, 49/249 B of 14 September 1995, 50/224 of 11 April 1996, 51/218 A, B and C of 18 December 1996 and 52/230 of 31 March 1998 and its decisions 48/472 A of 23 December 1993 and 50/451 B and 50/471 A of 23 December 1995, and taking into account the scale of assessments for the years 1998 and 1999, as set out in its resolution 52/215 A of 22 December 1997, subject to the review by the Security Council with regard to the question of termination or continuation of the Mission;

12. Decides further that, in accordance with the provisions of its resolution 973 (X) of 15 December 1955, there shall be set off against the apportionment among Member States, as provided for in paragraph 11 above, their respective share in the Tax Equalization Fund of the estimated staff assessment income of 1,888,200 dollars approved for the Observation Mission for the period from 1 July 1998 to 30 June 1999;

13. Decides that, taking into consideration the funding through voluntary contributions from the Government of Kuwait of the two-thirds share of the cost of the Observation Mission, for Member States that have fulfilled their financial obligations to the Mission, there shall be set off against the apportionment, as provided for in paragraph 11 above, their respective share of the unencumbered balance of 1,625,800 dollars gross (1,250,900 dollars net), representing one third of the unencumbered balance of 4,127,600 dollars gross (3,752,700 dollars net) in respect of the period from 1 July 1996 to 30 June 1997;

14. Decides also that, for Member States that have not fulfilled their financial obligations to the Observation Mission, their share of the unencumbered balance of 1,625,800 dollars gross (1,250,900 dollars net) for the period from 1 July 1996 to 30 June 1997 shall be set off against their outstanding obligations;

15. Decides further that two thirds of the net unencumbered balance of 3,752,700 dollars, equivalent to 2,501,800 dollars, shall be returned to the Government of Kuwait;

16. Expresses deep concerned about the overpayment of mission subsistence allowance, at present calculated at 6,312,201.53 dollars, as well as the inaccuracy of the earlier estimated amount of 988,443.5 dollars, which represents a drastic increase of 5,323,758.03 dollars, and the delay in reporting the matter to the General Assembly;

17. Requests the Secretary-General to take all necessary measures to ensure that voluntary contributions towards the budgeted cost of the Observation Mission shall be utilized only in accordance with the procedure and practices established by the General Assembly;

18. Also requests the Secretary-General to continue his efforts to recover the overpayment of mission subsistence allowance in the revised estimated amount of 6,312,201.53 dollars and to submit a separate report to the General Assembly at its fifty-third session on developments relating to the issue of overpayment of mission subsistence allowance and compensatory time off, including measures taken with respect to those responsible for the overpayment on the basis of the conclusion of the inquiry;

19. Further requests the Secretary-General to review the recovery process, taking into account the results of the inquiry and bearing in mind various aspects of this measure;

20. Requests the Secretary-General to ensure that all managers exercising financial responsibility are issued with the revised and updated version of the Financial Regulations and Rules of the United Nations;

21. Also requests the Secretary-General to ensure that every official of the United Nations is responsible to the Secretary-General for the regularity of the actions taken by him or her in the course of his or her official duties and that any official who takes any action contrary to the Financial Rules, or to the administrative instructions issued in connection therewith, may be held personally responsible and financially liable for the consequences of such action;

22. Recalls its request to the Secretary-General in its resolution 49/218 of 23 December 1994 to include full implementation of the Financial Regulations and Rules of the United Nations as a specific performance indicator in the performance appraisal of all managers;

23. Invites voluntary contributions to the Observation Mission in cash and in the form of services and supplies acceptable to the Secretary-General, to be administered, as appropriate, in accordance with the procedure and practices established by the General Assembly;

24. Decides to include in the provisional agenda of its fifty-third session, under the item entitled "Financing of the activities arising from Security Council resolution 687 (1991)", the sub-item entitled "United Nations Iraq-Kuwait Observation Mission".